

EUROPEAN PARLIAMENT HEARINGS
ANSWERS TO QUESTIONNAIRE FOR COMMISSIONER
DESIGNATE

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(Consumer Protection)

Part B – Specific questions

1. **Do you envisage becoming "consumers' advocate" within the Commission and how will you communicate your vision? What initiatives will you take to improve consumer education and information? Which approach would you adopt to further develop the consumer organisations in new Member States?**

I am of the opinion that the Consumer Commissioner should be an advocate for European citizens. This would be my key role, not only within the Commission but also within the Institutions and with the various stakeholders. I believe that my legal background will help me in this task of being the "consumers' advocate" for the European citizens, working vigorously to mainstream consumer interests into all EU policies. The Commission is already taking forward initiatives in many policy areas. Whether the issue is product safety, liberalization of energy and postal markets, or the review of the consumer acquis, I will do everything to ensure a positive outcome for the European citizens. I will commit myself fully to raise the political importance and visibility of Consumer Policy and to deliver tangible benefits for Europe's citizens.

I am aware that in order to realize the real added value and the many benefits that a European Consumer Protection Policy can bring to citizens, conviction and commitment are not enough. These need to be supported by solid arguments and in-depth analysis. That is why, if confirmed, I would place an accent on consumer research, on gathering data about the impact on consumers and the impact on other stakeholders. We must continue improving our knowledge base. I intend to listen and pay particular attention to the views of the European Parliament, and of stakeholders, including, of course, consumer representatives. I aim to bring a combination of a strong and clear vision, solid evidence, and critical scrutiny to this policy area that is so critical for the day-to-day life of European citizens. My professional experience in universities and the media gives me a particular understanding of the meaning and the importance of education and information. If my nomination is confirmed, I intend to further improve consumer education and information for European citizens. Negotiations are already coming to a close on the consumer policy programme 2007-

2013. This lays the groundwork for future initiatives in consumer information and education. This has my full support.

I strongly believe that the Commission can help to disseminate best practices in the field of Consumer Protection between Member States and to highlight the clear European added value of this policy. I intend to build on the existing initiatives as foreseen in this programme, such as European Consumer Centres, European School Diary, adult education modules and information campaigns on consumer rights in all Member States, and in particular in those Member States where there is still scope to further develop consumer protection and the infrastructure needed to ensure effective implementation.. We should keep these initiatives under critical review so that improvements are made as necessary.

2. **The Commission will adopt a new Internal Market Strategy next year. What are your proposals to integrate consumer policy in this framework? Where do you see the tensions between the EU competitiveness policy and consumer protection laws? What will you do in the light of the Lisbon agenda to reconcile both? What is your position on complete versus minimum harmonisation of consumer protection and what initiatives do you plan to take to improve the regulatory framework for consumer protection?**

I believe that the internal market and consumer protection are closely interrelated areas. The Single Market Review provides a further opportunity to restate the contribution EU consumer policy can make to competitiveness and to acknowledge the substantial contribution it makes in helping markets work better by generating more competition. I do not see any insurmountable tension between consumer policy, better regulation and competitiveness. On the contrary, these objectives can be mutually supportive. My aim is to ensure that consumer policy will continue to promote consumer confidence in the internal market, thereby increasing competition – and by the same token, to ensure that the Single Market works in such a way that its benefits flow directly to consumers.

Survey evidence shows that only 26% of consumers have sufficient confidence to buy from outside their own country. As a result of this weak cross-border competition, consumers have not benefited from the Internal Market as they might have done, either in terms of choice or prices. Survey evidence also shows that fragmentation of Consumer Protection rules is one of the factors undermining consumer confidence; 71% of EU consumers believe that they will have difficulties in resolving problems if they do buy cross-border. By addressing concerns such as these, we can improve cross-border competition and so at the same time contribute to EU competitiveness.

I intend to reinforce consumer confidence by ensuring that consumers have the same rights, and that these rights are equally well enforced throughout Europe. This will require us to harmonise fully those rights which are essential for consumer confidence. This must be done in a balanced and proportionate manner which takes into account not only the needs of consumers by providing them with a high level of protection but also the other legitimate interests involved. My experience as a Chief Negotiator

provided me with the opportunity to understand that the best choice when different interests are involved is the reasonable compromise. If my nomination is confirmed, I will carefully examine the work that is being conducted in the context of the review of the consumer policy acquis and will listen carefully to the views of stakeholders, before making concrete proposals on how best to improve the regulatory framework. I will of course pay particular attention to the views of the Parliament as I shape my policy.

3. **Which is your concept of the average consumer? Where does the responsibility of the authorities end when it comes to consumer protection and how would you draw the line between consumer protection and the "general risks of life"? How do you plan to ensure a better protection of vulnerable consumers such as disabled persons and children?**

Let me use my legal background to reply to this question. The concept of the average consumer is well established in the case law of the European Court of Justice. The impact of e.g. misleading advertising is to be assessed on a notional, typical consumer who is “reasonably well-informed and reasonably circumspect”, taking into account social, cultural and linguistic factors. This concept has been codified in the recent Unfair Commercial Practices Directive, which the Member States shall apply at the latest in December 2007. According to the Directive, misleading commercial practices which deceive or are likely to deceive the average consumer are prohibited. I believe that the Unfair Commercial Practices Directive is an important step forward. It will give consumers across the EU the same high level of protection against unfair practices and rogue traders whether they are buying from their corner shop or purchasing from a website based in another EU country. By codifying the concept of the average consumer, the Directive strikes an appropriate balance between the interest of consumers not to be victims of unfair commercial practices and the interest of business to be able to market and advertise efficiently.

I am of the opinion that public authorities have a clear duty to safeguard the health, safety and economic interests of consumers. In the context of their physical and health safety, the role of public authorities, whether European, national or regional, must set very clear requirements. As regards economic interests, the role of public authorities is to ensure that there is a fair balance between the weaker party to a transaction, the consumer, and the normally better informed and economically stronger professional. Frequently, the provision of adequate and accurate information will be enough to meet this purpose. However, we should bear in mind that nearly a quarter of the population of developed countries have problems understanding and using written information – the kind of information contained in brochures, information bulletins, train schedules, road maps and simple instructions for household appliances or pharmaceuticals. Consumers are, of course, responsible for the risks they undertake voluntarily and for making adequate provision to insure themselves against potential risks.

My personal view is that public authorities should continue to ensure that clear, comprehensive and adequate information and education is provided to consumers in order to allow them to take informed decisions. I believe also that a distinction should be made between the general responsibility of informed consumers and the effective protection of vulnerable consumers. We must remain aware of the needs of many vulnerable consumers such as elderly, disabled person and children. The way this issue is addressed in the Unfair Commercial Practices Directive, which sets the standards of protection according to the group targeted by any marketing practice, shows one way of addressing this concern when protecting the economic interests of consumers. The specific needs of vulnerable consumers must also be addressed in the area of consumer safety. The very definition of "safe product" included in the opening provisions of the General Product Safety Directive requires that the characteristics of the specific categories of consumers at risk when using a particular product, in particular children and the elderly, be taken into account. I fully support this approach and, if experience shows that there is a real need for its further development, I will promote action in this area.

4. ***Your Directorate General is working on the creation of a Common Frame of Reference for European Contract Law as well as preparing the review of the consumer acquis. Do you agree that both of these activities should be promoted simultaneously to avoid discrepancies between them and what repercussions does this have on existing legislative projects? What initiatives do you plan to ensure a better access to procedures of justice for consumers and consumer organisations in order to improve the efficiency of EU legislation in this field?***

There is a clear link between the work on a Common Frame of Reference (CFR) and the work on the review of the consumer acquis. I understand that the Commission prioritised in the CFR work the issues that are relevant to the consumer contract law acquis. In concrete terms, in 2006 the CFR work carried out by researchers and stakeholders focused on topics and workshops of relevance for the consumer contract law acquis review. Workshops were held on the issues of sales contracts, pre-contractual information, unfair terms, consumers' right to withdraw and consumers' right to damages. I am aware that your parliamentary working group has already discussed some of these issues. The CFR work on consumer contract law issues, undertaken during 2006, together with the results of other preparatory work, makes an important contribution to the Green Paper on the acquis review that is planned for adoption this year. I think that the work on both initiatives should proceed in parallel, while producing synergies. However, I do not think that the timing of both initiatives should be mutually dependent on each other.

I understand that the European Parliament in its resolution of September 2006 called on the Commission to take into account the long-term perspective of a CFR when presenting new legislative proposals. I would certainly ensure that legislative proposals prepared under my responsibility do exactly this. In particular, I would agree that the outcome of the review of the consumer acquis and the final CFR need to take each other into account.

I believe also that it is important to provide European consumers with effective and efficient means of redress. There is a growing interest in the concept of collective redress for consumers. A number of Member States already have, to a different extent, some mechanisms of collective redress and others are considering introducing such mechanisms. If confirmed, I would need to carefully examine the national provisions on collective redress in order to assess whether action at EU level is opportune. I would also want to hear the views of stakeholders.

5. **Consumers are increasingly buying goods and services on-line. How do you plan to respond to the challenges for consumer protection arising from the growing use of the Internet?**

New digital forms of commerce can speed up the integration of the Internal Market and bring benefits to consumers. However, the rapid pace of technology change and the increasing complexity of services offered are a challenge for consumers and Consumer Protection. We need to ensure that consumers enjoy the same set of rights and level of protection irrespective of whether they purchase in a shop, over the internet or by any other means. I recognise that traditional modes of regulation and enforcement could not be fully adapted to a rapidly changing environment in terms of technologies and marketing practices. It is also a challenge to consumers, who enjoy access to a greater range of products or services, but on increasingly complex markets.

One of the reasons for the on-going review of the Consumer Acquis is the emergence of new technologies and marketing practices (e.g. consumer on-line transactions, emergence of mobile commerce, dynamic packaging of holidays bought over the internet). The review aims at modernising the acquis in light of these new technological and market developments and making the acquis time-proof. The forthcoming Green Paper on the review of the consumer acquis will launch a public consultation on these issues, which are relevant to the field of consumer transactions carried out over the internet. I look forward to drawing conclusions from this consultation and if confirmed, I will continue to monitor market developments – notably through the work of the ECC-Net, surveys and consumer complaints – in order to assess potential regulatory challenges, and feed them into the review of the Acquis.

The new transactions media pose specific challenges for enforcement of consumer protection legislation. The Regulation on Consumer Protection Cooperation, whose key provisions will apply from the end of 2006, will be crucial in ensuring adequate protection for consumers against rogue traders when buying goods and services on line across borders in the EU. The Regulation is designed to remove the barriers to effective cooperation that exist between national enforcement authorities when dealing with traders targeting consumers across internal EU borders, through the Internet, by direct mail, telephone or other methods. National systems of enforcement were not geared up to the challenges posed by rogue traders who operate across borders. Another important facet is the network of European Consumer Centres (ECCs), which advise consumers on their rights in cross-border situations and helps them to resolve their complaints and disputes with business. Their latest report demonstrates the

growing importance of e-commerce for them, as shown by the doubling of the number of e-commerce cases they received in 2005 compared to 2004.

6. **The previous Commission adopted a clear strategy for simplifying and improving the EU Regulatory Environment, including the operation of extended impact assessments and consultation procedures. The Commission is also a signatory to the Inter-Institutional Agreement (IIA) on better regulation procedures with Parliament and Council. Will the Commissioner designate therefore confirm:**
- Full support for the objective of improving the EU regulatory environment, the Commission adopted strategy and IIA.**
 - That their services will fully respect the IIA and will cooperate with Parliaments committees in the arrangements of pre-legislative hearings to scrutinise Commission proposals.**

Better Regulation builds better decision-making. I am fully supportive of Better Regulation efforts to ensure that our Institutions provide our citizens with effective and proportionate policies. I am committed to applying the Commission's Strategy in this field. In the area of Consumer Policy, I intend to build on the existing body of work which has been developed as a priority, requiring considerable investment by the Commission's Health and Consumer Protection services, since 2005.

I am committed to ensuring that the IIA will be fully respected in future cooperation between my services and the Parliament. As a Member of the Bulgarian Government as well as a former Member of the National Parliament, I am aware of the necessity and importance of the cooperation between institutions. I would support continued effective cooperation with Parliament's committees and pre-legislative hearings. I would also encourage productive cooperation with a view to supporting each institution fulfilling its respective role on Better Regulation in the interests of all our citizens.

I also intend to ensure that consumer concerns, where relevant, continue to be fully integrated into the proportionate impact assessments conducted by other Commission services in developing policy initiatives in other areas. I hope that the other Institutions will do likewise.